

**ECONOMIC AFFAIRS - TOTAL CONSOLIDATION BEST
OPTION FOR GEARY COUNTY/JUNCTION CITY**

November 19, 2011

The word ‘crisis’ catapults the collective imagination into a new area of discussion. This is why, on the one hand, the crisis ‘squeezes’ and causes ‘hurt’, but on the other hand, these things are necessary, they help people to rethink the world in which they live and to progress. - Michel Foucault

SUMMARY FINDINGS

The consolidation team concluded that the best option to handle “economic affairs” in Geary County/Junction City is a total and complete consolidation of the Chamber of Commerce, Economic Development, Military Affairs, and Convention and Visitor’s Bureau into one umbrella organization controlled by one authoritative board.

Furthermore, it is recommended that the City Commission, County Commission, and Chamber Board move forward with all legal and operational aspects to cause this consolidation.

INTRODUCTION

The call to action concerning the review of how economic services are provided in Geary County and Junction City stemmed from the recent economic crisis and the need for state, county, and city governments to dramatically reduce budgets and streamline operations. While “crisis” may be an overstatement of economic conditions in Geary County, corrective measures required by the City of Junction City and Geary County were very apparent as these local governments wrestled with providing basic services to their constituents while holding the line on existing property tax levels. Junction City had the largest task at hand in dealing with a large amount of debt exacerbated by the soft economy.

It is also noted that the Junction City Chamber of Commerce had for many years brainstormed, planned, and experimented with various forms of consolidation programs to streamline, strengthen, gain efficiencies, and increase services for their members. Pressures of the economic downturn and reduced revenues for area businesses only reinvigorated the Chamber's pursuit of providing better services and programs at lower costs to their members.

During the governmental 2011 budgeting process, it became very apparent that many "economic" services provided by the chamber of commerce, economic development, and military affairs were duplicated and areas ripe for consolidation. In previous years, various aspects of consolidation were tried and each attempt ultimately failed so consolidation is an idea fairly fresh in everyone's mind. Many examples of successful consolidation efforts were cited as reasons for the Chamber, City, and County to actively pursue this avenue again. Lastly, significant gains in efficiency are benefits of consolidation whereby each division operates independently to achieve operational goals yet synchronized with other divisions to achieve a total organizational mission. Those potential gains need to be aggressively pursued.

A consolidation team comprised of members of the Junction City Chamber of Commerce, the Geary County Commission, the City of Junction City, the Junction City/Geary County Military Affairs Council, the Junction City/Geary County Economic Development Commission, and the Geary County Convention and Visitor's Bureau was charged with investigating the various aspects of consolidation and to report its findings to the Geary County and Junction City Commissions as well as the Chamber Executive Board.

BACKGROUND

The Consolidation Team was developed during a "fact finding mission" whereby volunteers were solicited from the Economic Development Commission, the Chamber of Commerce, and Military Affairs Council. Additional members from the Economic Development Committee and Geary County Convention and Visitor's Bureau were added after the initial team meeting.

The team met many times over a four month period to develop this recommendation. The group reviewed the consolidation efforts of Salina Kansas, Manhattan Kansas, and Hopkinsville – Christian County, Kentucky for structure, length of existence and overall success. Additional information was obtained from Lawrence, Kansas as well as indirect information garnered from the cities of Abilene and Hays, Kansas.

The Team also discussed various types of consolidation efforts and what possibly could be the best option for Geary County and Junction City. The range of consolidation rests on a continuum of being totally separate to totally consolidated. Intermittent steps between the ends of the continuum include collaboration and cohabitation.



Separate

Each organization operates independently and maintains its own governing body, mission, goals, facilities, and staff. Customers are directed to appropriate location depending upon type of service or need.

Collaboration

Each organization maintains its independence, structure, and location. However, a responsibility matrix is created and utilized to improve service provision and increase communication flow. The matrix is comprised of lead, support, collaborator, and no interest roles. These roles are assigned to each organization based upon the type of service requested or the type of business application.

Cohabitation

Each organization maintains its independence and structure but all organizations move into one location. Communication and service provision are greatly enhanced due to being located in one building and the close proximity available to customers. Efficiency is gained and simultaneous overhead cost reductions occur with combined staffing, combined equipment use, and sharing of overhead expenses.

Consolidated

Each organization is consolidated into one umbrella organization and all advisory boards are consolidated into one authoritative board comprised of representatives of each advisory board. The umbrella organization retains all the benefits of cohabitation but further increases efficiency by melding all services into a single organization with one mission that provides all facets of economic affairs. Each support organization retains own goals and basic operations but benefits from better access to resources, increased communication, and a defined purpose.

It is noted that most typically, organizations consolidate one step at a time as they progress across the continuum from totally separate to consolidation. Most organization change is slow as hurdles or road blocks often hinder progress toward change. Often entrenched managers of organizations or the members themselves do not want to change and therefore work toward preventing it. Additionally organizational structure or leadership/oversight committees may not be receptive to change and thwart all efforts toward implementation. Therefore organizational change must often wait until managers retire, the controlling mechanisms move on, or an organizational crisis occurs forcing the change.

SOLUTION

The Consolidation Team studied the issues and determined that the most effective and efficient way to provide economic affairs service is to totally consolidate and to make that move in one fell swoop. Current conditions are conducive to making that move successful and complete.

The conditions are perfect to make the move successfully because many of the road blocks that generally hinder success are currently not there:

- 1.) Organizational Change - Efficiency –The need to increase efficiency is critical for the economic success for the area. Business attraction, retention, and promotion efforts need to be precise, focused, and efficiently coordinated to be successful. Service delivery should be from one point of origin and the organization must speak with one voice.
- 2.) Organizational Change – Leadership – The Economic Development Commission and Chamber of Commerce have vacancies in their leadership positions. The time is ripe to

consolidate and re-organize to install one leader that implements the policy of the Executive Board and oversees all economic affairs services.

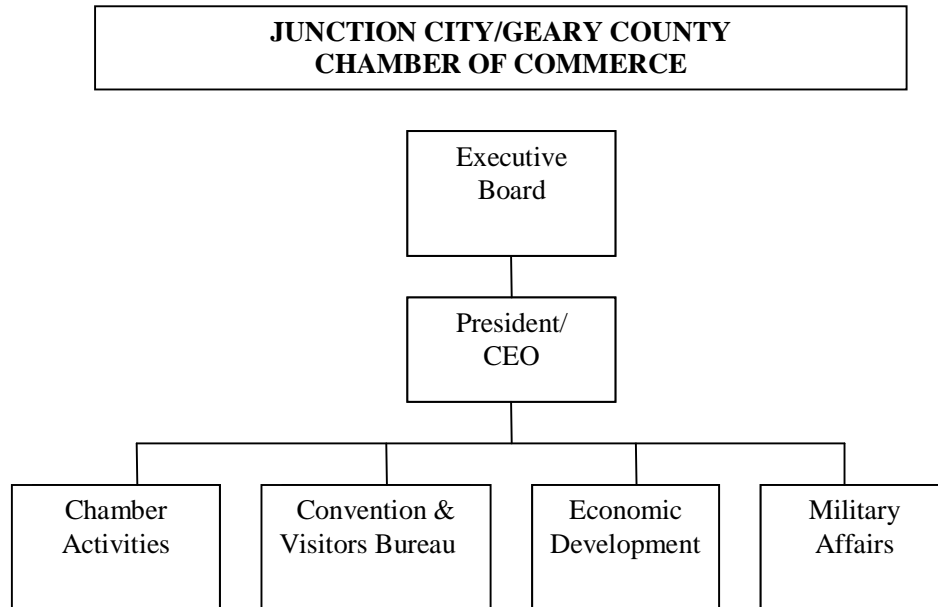
- 3.) Organizational Change - Effectiveness – the soft economy also calls for all organizations to provide services in the most cost conscious method possible. They are required to streamline operations and use fewer resources in providing high quality services. Combined facilities, combined staffing, and combined office supplies and equipment provide that effectiveness.

As stated earlier, consolidation efforts in Geary County/Junction City were attempted several times in the past. These efforts have failed for many of the reasons above. The solution for the long-term success of the consolidated organization includes:

- 1.) A totally defined and distinct leader as Chief Executive Officer to direct and keep the divisions focused and speaking with one voice.
- 2.) The appointed members of the new advisory boards must generally agree with and support the consolidation effort and they must focus on a long-term vision for success.
- 3.) The organizational staff must agree with and support the consolidation and their skills and abilities must include a focus on their division's goals as well as cooperative and collaborative work with other division's employees to achieve the overall mission of the organization.

Proposed Organizational Structure

The structure of the new JC/GC Chamber of Commerce will be one umbrella organization overseeing several subsidiary divisions. While each division will retain an advisory board, the ultimate authority will come from the executive board comprised of one representative of each division board, one city commissioner, one county commissioner, and one citizen at large.



Chamber Structure – The new Chamber will be comprised of the following four distinct divisions: 1.) Chamber Activities; 2.) Economic Development; 3.) Convention and Visitor’s Bureau, and 4.) Military Affairs. Each division will be lead by an operational vice-president that reports to the chamber president/CEO. The division vice-president will hire their own staff with approval of the CEO and will implement programs and follow budgetary guidelines as established for each division. Each division will retain an advisory board to provide recommendations concerning planning activities and budgetary priorities. These advisory boards will have no authority to act independently for the Chamber and all activities are subject to Chamber Executive Board approval. Each vice-president will serve as the principal staff person to their respective advisory board.

For implementation to occur, Junction City and Geary County will contract with the Chamber of Commerce for specific services for Economic Development and Military Affairs. Geary County will contract with the Chamber of Commerce for specific services related to Convention and Visitor’s Bureau activities.

Executive Board Structure – The Executive Board will be comprised of seven members as follows:

- 1 County Commissioner
- 1 City Commissioner
- 1 advisory board representative – Chamber Activities Division
- 1 advisory board representative – Economic Development Division
- 1 advisory board representative – Convention/Visitors Division
- 1 advisory board representative – Military Affairs Division
- 1 citizen at large

The advisory board representatives will be filled by one nominated member from each of the existing boards. These nominations will be jointly approved by the City and County Commissions. The citizen at large representative will be jointly appointed by the City and County Commissions.

The initial board will be considered transitional and therefore the terms of office will be one year. That one year term will begin at execution of appropriate documents by the governing bodies. Before the conclusion of the first year, a review of the board's composition and terms of office will be conducted and recommendations brought forth for possible implementation if so approved by the initial board.

The Executive Board will have complete authority over the four divisions. The Executive Board sets all policies, budgets, annual business/strategic plans for the Chamber of Commerce. The Executive Board will hire a President/CEO to oversee operations, to oversee divisional vice-presidents and staff, and to implement annual budgetary plans and programs as approved by the Executive Board.

The Consolidation Team recommends that the Chamber Executive Board immediately form an executive search committee to hire the Chief Executive Officer. The Chief Executive Officer should be on staff by May 1, 2011.

Advisory Board Structure – The Executive Board should determine the size, composition, and scope of the new advisory boards.

FUNDING

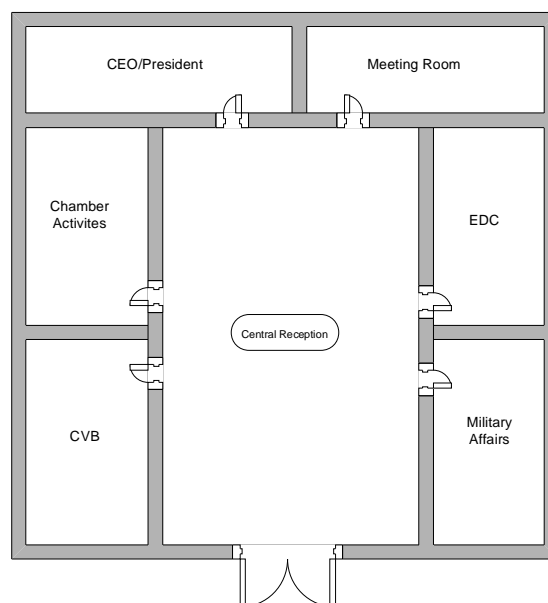
The recommendation of the Consolidation Team is to bring forth the relevant 2011 budget components of the City, County, and existing Chamber of Commerce. The local government contracts for specific services should reflect those budget amounts for 2011. Development of the 2012 budget and beyond will be the responsibility of the Chamber Executive Board and staff. Likewise, public funds will be authorized annually by the City and County Commissions through contractual agreements for services.

SALARY AND BENEFITS

The Consolidation Team recommends that existing employees retain current salary and benefit options until December 31, 2011. Ultimately all salary and benefits will be provided solely by the Chamber of Commerce as a private organization. The delay will allow for the transition to occur and appropriate benefit packages to be put in place.

BUILDING DESIGN

The design of the building is critical for the success of the consolidation effort as well as to enhance the organizational efficiency by having all organizations in close proximity. Customer service needs to be delivered from a centralized reception area. Divisional offices should be equal and spaced with customer service in mind. A simple sketch of the facility would be as follows:



The Consolidation team recommends that a property search committee be formed to identify and pursue an existing facility that could be modified to fit the needs of the Chamber. Ultimately, a new facility may have to be built to provide adequate functionality to the organization.

CONCLUSION

After four months of review and discussion, the Consolidation Team determined that total consolidation of the chamber of commerce, economic development, military affairs, and convention and visitor's bureau was the best option for Geary County/Junction City. The efficiency benefits and cost savings attained are too great not to make the move. Additionally, conditions are present to successfully make the move to total consolidation in one fall swoop.

Furthermore, the Consolidation Team recommends that the City Commission, County Commission, and Chamber Board move forward with all legal and operational aspects to cause this consolidation.

Contributors

Consolidation Team

- Ben Bennett – Geary County Commission
- Tom Silovsky – Chamber of Commerce
- Scott Stuckey – Military Affairs Council
- Mark Edwards – Military Affairs Council
- Ben Kitchens – Economic Development Commission
- Alan Bontrager – Economic Development Commission
- Adam Wilkey – Geary County Convention & Visitors Bureau
- Gerry Vernon – City of Junction City

Special Assistance

- Ron Johnson – Chamber of Commerce
- Mark Ediger – Chamber of Commerce
- Craig Altenhofen – Chamber of Commerce

Organizational/Background Information

- Lyle Butler – Manhattan Chamber of Commerce, President/CEO
 - Manhattan structure and operations
- Dennis Lauver – Salina Area Chamber of Commerce, President/CEO
 - Salina structure, operations, and organization consolidation types

EXISTING MISSION/PURPOSE STATEMENTS

Military Affairs Council

The mission of the Junction City/Geary County Military Affairs Council is to maintain and expand the military presence and the strong relationship between the communities of Fort Riley, Junction City, Geary County and surrounding areas through information, assistance, and enhanced communications.

Geary County Convention & Visitor's Bureau

To facilitate, nurture and increase the visitor industry in Geary County

Junction City/Geary County Economic Development Commission

The purpose of the EDC is to further the economic development of Geary County, the communities within the county, and its environs.

Junction City Area Chamber of Commerce

We are committed to serving our members, and our goal is to insure thriving businesses in a strong community with long-term growth and stability.